



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Various Actions Needed to Participate in the San Joaquin County Enterprise Zone

MEETING DATE: November 7, 2007

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt Resolution: 1) Approving cost reimbursement contract with the Economic Development Association to develop an application for Enterprise Zone designation, and authorize the City Manager to execute the contract, which will not exceed \$8,972; 2) Approving Letter of Commitment to economic development staffing at 35% of time in support of San Joaquin County Enterprise Zone; and 3) Approving Memorandum of Understanding for Multi-Agency Cooperation in the Implementation, Management and Marketing of the San Joaquin County Enterprise Zone.

All three actions are required for the City to participate in the Enterprise Zone.

BACKGROUND INFORMATION: On October 17, 2007, the City Council approved participation in the San Joaquin Enterprise Zone application. The recommendation actions specifically relate to implementation of the application process.

The State of California designated the Stockton/San Joaquin County Enterprise Zone in June of 1993. The designation was for 15 years and expires June 2008. The Zone is approximately 29 square miles in central and south Stockton including unincorporated areas of the County.

On June 19, 2007, the State released the application for Enterprise Zone designation. The application is due November 16, 2007. It will be a very competitive process with more than 30 applications for just eight available Zones. Over the last 14 years, the State has made many changes to the Enterprise Zone Program. These changes allow for what some have called “**super enterprise zones.**” The City has been asked to participate in the San Joaquin County Enterprise Zone, which would include the cities of Lodi, Tracy, Lathrop, Manteca and Stockton, as well as unincorporated areas of San Joaquin County that are eligible.

Because of the short application period and wanting to secure the best available consultant to assist in the application, the County’s Economic Development Association (EDA) Board of Directors authorized staff to enter into an agreement with Jack Faucett Associates (JFA). Jack Faucett Associates developed the Fresno County “Super Zone” application, which was the highest-rated application during the previous round of designations. The EDA Board granted its approval with the understanding that after a determination of which municipalities would be included in the application they would reimburse the EDA for the application costs on a pro-rated basis.

APPROVED: _____
Blair King, City Manager

Based on JFA recommendation, the County and cities identified a preliminary Zone application area that is 638 square miles and includes the cities of Lodi, Stockton, Tracy, Manteca, Lathrop, and San Joaquin County. The following preliminary budget shows how the Enterprise Zone application cost is being allocated between the cities and San Joaquin County. Calculations were determined by dividing the commercial and industrial area within each municipality's portion of the Enterprise Zone divided by the total commercial and industrial area in the entire Enterprise Zone expressed as a percentage. The chart below represents the industrial and commercial acreage in each municipality and their related percentage of the application costs.

Municipality	Acreage	Percentage	Estimated Costs
Stockton	9223	40.93%	\$61,395
Lodi	1347	5.98%	\$8,972
Manteca	830	3.68%	\$5,525
Tracy	1704	7.57%	\$11,347
Lathrop	3969	17.62%	\$26,426
Unincorporated	5458	24.22%	\$36,335
Total	22531	100%	\$150,000

Part of the application process requires the City Council to commit staffing to the San Joaquin County Enterprise Zone. Accordingly, the City must provide a letter of commitment, signed by the Mayor, to the California Department of Housing and Community Development, which selects the Zones. The City Council also must approve a Memorandum of Understanding with the other cities and county, in which Lodi commits to provide staffing to the Enterprise Zone.

Lodi currently does not have the staff needed to carry out the marketing and business attraction functions required to participate in the San Joaquin County Enterprise Zone. The City, however, is making the commitment to hire an Economic Development Coordinator if the application is successful, and devote 35 percent of that person's time to the Zone.

Attached is the Resolution, the Memorandum of Understanding and the commitment letter for the Mayor's signature.

FISCAL IMPACT: The cost of preparing the application is \$8,972. The costs of implementation of the Enterprise Zone are not fully estimated but will include \$23,024 per year for Enterprise Zone administration paid to the County and approximately \$30,000 for Lodi Economic Development staff support. The cost of local incentives are not known.

FUNDING AVAILABLE: Economic Development budget.

Blair King
City Manager

RESOLUTION NO. 2007-_____

RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
APPLICATION TO STATE OF CALIFORNIA FOR SAN JOAQUIN
COUNTY ENTERPRISE ZONE, APPROVING ENTERPRISE ZONE
LETTER OF COMMITMENT; AND APPROVE MEMORANDUM OF
UNDERSTANDING FOR MULTI-AGENCY COOPERATION

=====

WHEREAS, the City of Lodi and other public entities are submitting a joint application for a California Enterprise Zone, to be known as the San Joaquin County Enterprise Zone, to the California Department of Housing and Community Development (the Department) on or before November 16, 2007;

WHEREAS, the City of Lodi finds that the application area within the City of Lodi is a depressed area and that designation of the area as an Enterprise Zone is necessary in order to attract private sector investment to the application area;

WHEREAS, the City of Lodi authorizes an application for Enterprise Zone designation;

WHEREAS, the City of Lodi authorizes and supports job development, job creation, and economic development;

WHEREAS, the City of Lodi authorizes that staffing shall be made available to maintain record-keeping, monthly updates on zone activities, and to discuss these activities with program auditors;

WHEREAS, the City of Lodi shall develop a self-evaluation process to measure its progress in meeting its goals and objectives and this process shall be submitted to the Department for review, approval and inclusion in the Memorandum of Understanding (MOU) prior to Final Designation;

WHEREAS, the City of Lodi agrees to complete all actions stated within the application that apply to its jurisdiction should the proposed Enterprise Zone be awarded designation; and

WHEREAS, the Lodi City Manager is authorized to sign the application, the MOU and other documents necessary for the implementation of the Enterprise Zone;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi that the City is committed to the designation, implementation, and operation of the San Joaquin County Enterprise Zone, and further authorizing the City Manager to take actions required to provide for a successful application.

Dated: November 7, 2007

=====

I hereby certify that Resolution 2007-_____ was passed and adopted by the Lodi City Council in a regular meeting held on November 7, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____

1 MEMORANDUM OF UNDERSTANDING FOR MULTIAGENCY COOPERATION IN
2 THE IMPLEMENTATION, MANAGEMENT AND MARKETING OF
3 THE SAN JOAQUIN COUNTY ENTERPRISE ZONE

4 This MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is made and
5 executed this 8th day of November, 2007 (the "Effective date") by and between the cities
6 of Stockton, Lodi, Manteca, Lathrop and Tracy, municipal corporations of the State of
7 California (hereinafter referred to as "CITIES"), the COUNTY OF SAN JOAQUIN, a
8 political subdivision of the State of California (hereinafter referred to as "COUNTY"), and
9 the San Joaquin Partnership, a non-profit economic development corporation.

10
11 WITNESSED

12 WHEREAS, the existing Stockton/San Joaquin County Enterprise Zone has
13 contributed substantially to the economic development and social advancement of
14 portions of the City of Stockton and the COUNTY since 1993, but is expiring in 2008;

15 WHEREAS, the CITIES and COUNTY are applying for an Enterprise Zone
16 designation by the State of California in the 2007/2008 application round in order to
17 bring Enterprise Zone benefits to four more cities (Lathrop, Lodi, Manteca and Tracy)
18 and a wider area of San Joaquin County (French Camp, Linden and Thornton).

19 WHEREAS, the implementation, management and marketing of an Enterprise
20 Zone upon designation is a long-term (15-year) partnership between local governments,
21 business organizations and businesses;

22 WHEREAS, the successful implementation of an Enterprise Zone Program
23 requires a strong commitment and cooperation by the all of the program participants in
24 support of job development, job creation and economic development;

25 WHEREAS, the purpose of the California State Enterprise Zone Program is to
26 stimulate business and industrial growth in depressed areas of the state, help attract
27 business to the state, help retain and expand business and industry, and create
28 increased job opportunities for all Californians;

1 WHEREAS, the parties of this MOU acknowledge they need the Enterprise Zone
2 Program to improve economic conditions and overall quality of life within the territory of
3 the five participating cities and in the unincorporated area of San Joaquin County;

4 NOW, THEREFORE, CITIES, COUNTY, and San Joaquin Partnership agree as
5 follows:

6
7 ARTICLE I

8 DEFINITIONS

9 A. "Comprehensive Marketing Strategy" is a component of the Marketing Strategy
10 and Plan section of the Economic Development Plan.

11 B. "Department" is the California Department of Housing and Community
12 Development.

13 C. "Economic Development Plan" is a part of the Enterprise Zone application
14 consisting of eight sections, including the "Marketing Strategy and Plan" and the "Job
15 Development, Vouchering Plan and Vouchering Fee Remittance Plan."

16 D. "Employment and Economic Development Department" or "EEDD" is a COUNTY
17 department under the jurisdiction of the San Joaquin County Board of Supervisors, and
18 is the administrative entity for the Workforce Investment Board dbaWorkNet, the
19 Economic Development Association, and Revolving Loan Fund.

20 E. "Enterprise Zone Advisory Committee" or "Committee" is a body comprised of the
21 Zone Manager, and designees from the COUNTY, the five participating CITIES, EEDD,
22 San Joaquin Partnership and other stakeholders as needed. The Committee reviews
23 ongoing Zone program activities, including regular self-evaluation, and makes policy
24 recommendations to the Zone Manager and to all Zone jurisdictions and economic
25 development partners.

26 F. "Job Development Plan" is the component of the Economic Development Plan
27 that details how the zone will target employee screening, training, and job-linkage
28 services.

1 G. "Vouchering Fee Remittance Plan" is the component of the Economic
2 Development Plan that details how the Zone will process, manage and report voucher
3 application fees.

4 H. "Vouchering Plan" is the component of the Economic Development Plan that
5 identifies the process for verifying and determining the validity of claims, storage of
6 documents and tracking of categories of eligibility for vouchers.

7 I. "Zone" means the San Joaquin County Enterprise Zone.

8 J. "Zone Manager" is an employee of the COUNTY Employment and Economic
9 Development Department who is the overall leader and administrator of the Zone.

11 ARTICLE II

12 ROLES OF PARTICIPATING AGENCIES

13 A. COUNTY OF SAN JOAQUIN

14 1. The COUNTY has prepared a Letter of Commitment (Exhibit 1 to this
15 Memorandum) delineating the resources made available by the County of San Joaquin
16 for the implementation of the Zone Program.

17 2. The Zone Manager shall be an employee of the COUNTY Employment and
18 Economic Development Department. The Zone Manager shall be in charge of the
19 overall coordination of all programs and activities of the Enterprise Zone. The Zone
20 Manager shall work with the Zone Coordinators of the COUNTY and of each
21 participating CITY, the president & chief executive of the San Joaquin Partnership, and
22 other economic development partners to ensure the successful implementation of all of
23 the components of the Enterprise Zone Economic Development Plan, periodically
24 review the achievement of the goals of the Enterprise Zone, and verify compliance with
25 the reporting requirements to the State and all the members of the Enterprise Zone.

26 3. The COUNTY Administrator shall appoint an Enterprise Zone Coordinator who
27 shall be the primary local marketing agent for the Zone in the unincorporated area of
28 San Joaquin County, including the communities of Thornton, Linden and French Camp.

1 The COUNTY Zone Coordinator shall be the main source of all relevant information
2 relating to the Zone in the unincorporated area requested by the business community,
3 the public and residents wishing to participate in the Zone Program.

4 4. The COUNTY may develop its own local marketing programs designed to
5 promote economic development and job creation opportunities, focusing particularly on
6 the unincorporated area of the County.

7 5. The COUNTY and the participating CITIES agree that the lead agency for the
8 internal marketing programs of the Zone shall be the COUNTY Economic Development
9 Association (hereinafter "EDA"). Subject to oversight by the Enterprise Zone Advisory
10 Committee, the EDA shall lead implementation of the business retention and expansion
11 elements of the Marketing Strategy and Plan, with supporting implementation by the
12 COUNTY, all participating CITIES and economic development partners. To the greatest
13 extent practicable, the EDA shall coordinate its Zone internal marketing activities with
14 the San Joaquin Partnership, which shall handle the Zone's overall external marketing
15 activities.

16 6. The COUNTY and CITIES agree that EEDD shall implement the Job
17 Development Plan, Vouchering Plan and the Voucher Fee Remittance Plan. The
18 COUNTY and CITIES agree that the EEDD shall be the Vouchering Agent in charge of
19 managing the issuance of vouchers to Zone program participants. EEDD shall also be
20 responsible for retention of voucher-related records for the life of the Zone plus ten
21 years.

22 7. The Zone Manager, or his/her agent within the EEDD, shall process and remit
23 directly to the Department by the 25th day on the State's Monthly Form all of the \$10.00
24 voucher application fees collected on behalf of the Department during the preceding
25 month. The Zone Manager, or his/her agent within the EEDD, shall provide copies of
26 said completed monthly remittance forms to the Enterprise Zone Advisory Committee.

1 8. The COUNTY Zone Coordinator and the EEDD Administrator shall each
2 contribute a monthly progress report of Zone-related activities to the Zone Manager for
3 inclusion with the required monthly reports to the Department.

4 9. The COUNTY Zone Coordinator and EEDD Administrator shall each submit to
5 the Zone Manager a self-evaluation of performance of its Zone activities at least once
6 per year for inclusion with the Zone annual report.

7
8 B. PARTICIPATING CITIES IN THE COUNTY OF SAN JOAQUIN

9 1. Each participating CITY has prepared a Letter of Commitment (Exhibits 2
10 through 6 to this Memorandum) delineating the resources being contributed to the
11 implementation of the Zone program.

12 2. Each participating CITY shall appoint an Enterprise Zone Coordinator who shall
13 be the primary local marketing agent for the Zone in each CITY. The City Zone
14 Coordinator shall be the main source of all relevant information relating to the Zone in
15 that CITY requested by the business community, the public and residents wishing to
16 participate in the Zone Program.

17 3. Each CITY may develop its own local marketing programs designed to promote
18 economic development and job creation opportunities in each CITY.

19 4. Each CITY Zone Coordinator shall contribute a monthly progress report of Zone-
20 related activities to the Zone Manager for inclusion with the required monthly reports to
21 the Department.

22 5. Each CITY Zone Coordinator shall submit to the Zone Manager a self-evaluation
23 of performance of its Zone activities at least once per year for inclusion with the Zone
24 annual report.

25
26 C. SAN JOAQUIN PARTNERSHIP

27 1. The San Joaquin Partnership (hereinafter "PARTNERSHIP"), a non-profit
28 economic development corporation, has prepared a Letter of Commitment (Exhibit 7 to

1 this Memorandum) delineating the resources being contributed to the implementation of
2 the Zone program, particularly the Marketing Strategy and Plan.

3 2. The COUNTY and the participating CITIES agree that the PARTNERSHIP shall
4 implement the external marketing and business attraction elements of the regional
5 marketing program of the Zone. Subject to oversight from the Enterprise Zone Advisory
6 Committee, the PARTNERSHIP shall lead implementation of the external marketing and
7 business attraction elements of the Marketing Strategy and Plan, with supporting
8 implementation by the COUNTY, all participating CITIES and other economic
9 development partners. To the greatest extent practicable, the PARTNERSHIP shall
10 coordinate its Zone external marketing activities with the EDA, which shall handle the
11 Zone's overall internal marketing activities.

12 3. The PARTNERSHIP agrees to integrate the Zone program into existing and
13 future programs, including its Strategic Plans.

14 4. The PARTNERSHIP shall contribute a monthly progress report on its Zone
15 activities to the Zone Manager for inclusion with the required monthly reports to the
16 Department.

17 5. The PARTNERSHIP shall submit to the Zone Manager a self-evaluation of
18 performance of its Zone activities at least once per year for inclusion with the Zone
19 annual report. The Economic Development Plan details how the PARTNERSHIP shall
20 self-evaluate its performance. Subject to oversight by the Enterprise Zone Advisory
21 Committee, the PARTNERSHIP shall revise the external marketing and business
22 attraction elements of the Comprehensive Marketing Strategy, Annual Marketing Plan
23 and other marketing components of the Economic Development Plan in accordance
24 with the findings of the self-evaluation.

25 //

26 //

27 //

28 //

1 ARTICLE III

2 ENTERPRISE ZONE PROGRAM FINANCING

3 A. The State of California, in granting the Enterprise Zone designation, does not
4 provide funding for the implementation of the Enterprise Zone program. Funding of the
5 Enterprise Zone program requires the commitment of all local participating jurisdictions
6 for the duration of the enterprise zone designation (15 years). The governing body of
7 each participating agency has approved a letter of commitment (Exhibits 1 through 7 to
8 this Memorandum) detailing the resources being committed for the marketing and
9 operation of the Enterprise Zone program.

10 B. Aside from the participating agencies' staff and financial resources being
11 committed, the Zone shall generate additional revenue from a surcharge to the \$10.00
12 fee already required by the State for the issuance of vouchers. EEDD currently issues
13 vouchers for the existing zone and proposes the same initial fee of \$75.00 per voucher
14 application. Of the \$75.00 voucher application fee, \$10.00 would go to the State and
15 \$65.00 EEDD will use to mitigate the costs to issue vouchers, recordkeeping, fee
16 remittance, record storage and retrieval and other direct and indirect costs associated
17 with issuing Vouchers. With the concurrence of the Zone Advisory Committee, EEDD
18 shall amend the voucher application fee as permitted by State Law and Enterprise Zone
19 Regulations.

20
21 ARTICLE IV

22 CITIES AND COUNTY OVERSIGHT

23 A. An Enterprise Zone Advisory Committee comprised of the Zone Manager, and
24 designees from the COUNTY, the five participating CITIES, EEDD, the San Joaquin
25 Partnership and other stakeholders, as needed, shall review ongoing program activities
26 and make policy recommendations. The Committee shall oversee self-evaluation of the
27 Zone's Economic Development Plan, among other functions. The Committee shall hold
28 at least one Zone self-evaluation meeting per year in order to assess progress in

1 attaining performance benchmarks and other goals and, as necessary, revise Economic
2 Development Plan strategies.

3 B. The CITIES, the PARTNERSHIP, the COUNTY Zone Coordinator and EEDD
4 shall assist the Zone Manager in the preparation of monthly, annual and other reports
5 required by the State of California by providing the Zone Manager with monthly
6 accountings of Zone-related activities and performance. The Zone Manager shall
7 submit all reports to the Department. The Zone Manager shall provide copies of all
8 reports submitted to the Department to the City Zone Coordinators, the President and
9 CEO of the PARTNERSHIP, the COUNTY Zone Coordinator and the EEDD
10 Administrator.

11 C. Each participating CITY has the responsibility to ensure that all aspects of the
12 Enterprise Zone comply with State Law for transactions occurring in the respective
13 incorporated jurisdictions of each participating CITY. The COUNTY has the
14 responsibility to ensure that all aspects of the Enterprise Zone comply with State Law
15 for transactions occurring in the unincorporated area of the COUNTY.

16
17 IN WITNESS WHEREOF, parties hereto have executed this MOU in San Joaquin
18 County, State of California, on the date set forth above.

19 //

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

1	COUNTY OF SAN JOAQUIN, a Political	CITY OF LATHROP, a Municipal
2	Subdivision of the State of California	Corporation of the State of California
3	("COUNTY")	
4	By: _____	By: _____
5	Chairman	Mayor
6	Board of Supervisors	CITY OF LATHROP
7	ATTEST:	APPROVED AS TO LEGAL FORM:
8	Clerk to the Board of Supervisors	City Attorney
9		CITY OF LATHROP
10	By: _____	By: _____
11	APPROVED AS TO LEGAL FORM:	ATTEST:
12	County Counsel	Clerk to the City of LATHROP
13	By: _____	By: _____
14		
15		
16	CITY OF LODI, a Municipal	CITY OF MANTECA, a Municipal
17	Corporation of the State of California	Corporation of the State of California
18	By: _____	By: _____
19	Mayor	Mayor
20	CITY OF LODI	CITY OF MANTECA
21	APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:
22	City Attorney	City Attorney
23	CITY OF LODI	CITY OF MANTECA
24	By: _____	By: _____
25	ATTEST:	ATTEST:
26	Clerk to the City of LODI	Clerk to the City of MANTECA
27		
28	BY: _____	By: _____

1	CITY OF STOCKTON, a Municipal	CITY OF TRACY, a Municipal
2	Corporation of the State of California	Corporation of the State of California
3	By: _____	By: _____
4	Mayor	Mayor
5	CITY OF STOCKTON	CITY OF TRACY
6	APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:
7	City Attorney	City Attorney
8	CITY OF STOCKTON	CITY OF TRACY
9	By: _____	By: _____
10	ATTEST:	ATTEST:
11	Clerk to the City of STOCKTON	Clerk to the City of TRACY
12	By: _____	By: _____
13		
14		
15	SAN JOAQUIN PARTNERSHIP	
16	By: _____	
17	Michael E. Locke,	
18	President & CEO,	
19	SAN JOAQUIN PARTNERSHIP	
20	On following pages: EXHIBITS 1 – 7	
21	Letters of Commitment	
22	TO BE ATTACHED AFTER APPROVAL BY EACH PUBLIC ENTITY/ORGANIZATION	
23	Exhibit 1: Letter of Commitment from County	
24	Exhibits 2-6: Letters of Commitment from Cities	
25	Exhibit 7: Letter of Commitment from San Joaquin Partnership	
26	//	
27	//	
28	//	

CITY COUNCIL

BOB JOHNSON, Mayor
JOANNE MOUNCE,
Mayor Pro Tempore
LARRY D. HANSEN
SUSAN HITCHCOCK
PHIL KATZAKIAN

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

BLAIR KING, City Manager
RANDI JOHL, City Clerk
D. STEPHEN SCHWABAUER
City Attorney

November 8, 2007

Mr. Frank Luera, Interim Manager
Enterprise Zone Program
California Department of Housing and Community Development
1800 Third Street, Suite 390
Sacramento, CA 95814

RE: LETTER OF COMMITMENT TO SAN JOAQUIN COUNTY ENTERPRISE ZONE

The City of Lodi (hereinafter "City") is a general law city incorporated under California law. The City has jurisdiction over a portion of the proposed San Joaquin Valley Enterprise Zone (hereinafter "Zone") and has heretofore resolved to be an applicant for the Zone. The City is separately entering into a Memorandum of Understanding that defines the respective roles of the participating cities, the County of San Joaquin, and other Zone program participants. This Letter of Commitment contains specific commitments that the City will make solely to the designation, implementation, and operation of the proposed Zone.

I. Commitments of Staff Time

The City commits two staff member to the Enterprise Zone project.

If the Zone's application is successful, the City will hire a new Economic Development Coordinator and will dedicate 35% of his or her time to the project at an annual value of approximately \$37,000, including \$28,000 in salary and \$9,000 in benefits. He or she shall be the Zone manager for the City of Lodi. His or her tasks to be completed in support of the Zone will be to conduct marketing for the Zone and to undertake business expansion, attraction, and retention activities for the Zone. This will be a new position. The City Manager will have the discretion to designate a staff liaison to fast-track economic development projects within the Zone.

Second, Rob Lechner, Manager of Customer Services and Programs with Lodi Electric Utility, will dedicate 20% of his time to the project at an annual value of \$26,000, including \$19,000 in salary and \$7,000 in benefits. His tasks to be completed in support of the Zone will be the Lodi Electric Utility's key account representative assigned to businesses located within the Enterprise Zone.

II. Commitments of Other Services and Supplies

The City also commits the following to the Zone program:

San Joaquin County Enterprise Zone: The City commits \$23,024 per year to the San Joaquin County Enterprise Zone for zone administration, job development, and marketing.

San Joaquin Partnership Dues: The City commits \$35,000 per year to the San Joaquin Partnership for Zone marketing and business attraction.

Professional Consultant Services: The City is currently committing \$250,000 for professional consultant services toward the creation of a Redevelopment Project Area that will include the Enterprise Zone.

Other Advertising & Marketing: The City commits an annual value of \$125,000 to fund a broad range of business and marketing organizations, including the Lodi Downtown Business Partnership, the Lodi Conference and Visitors Bureau, and the Lodi Chamber of Commerce, that promote the region, including the Enterprise Zone.

Office Equipment & Maintenance: The City commits an annual value of \$1,500 to office equipment and maintenance. Such value represents the portion of City computer systems, telephones, fax and copy machines, devoted to Zone affairs.

Office Supplies: The City commits an annual value of \$20,000 to office supplies. Such value represents the cost of paper, stationery, envelopes, and other supplies consumed for Zone affairs.

Telecommunications: The City commits an annual value of \$1,500 to cover telephone, and internet expenses related to Zone affairs.

Eligibility for Solar Rebates: The City has committed \$6 million over 10 years in rebates for Solar Energy projects. Businesses within the Enterprise Zone will be eligible for rebates.

Reduced Electricity Rates: The Lodi Electric Utility's rates for industrial users is, on average, 30% less than the adjacent investor-owned utility, and available to businesses locating within the Enterprise Zone.

III. Total Contributions

The total direct annual value of the contributions of the City of Lodi to the Zone shall be \$144,024. Additionally, the City of Lodi is currently committing \$375,000 for consultant services and marketing for regional benefit that includes the Enterprise Zone. The City of Lodi acknowledges that its direct commitment is an annual commitment for the life of the Zone.

The City Council of the City of Lodi has approved this Letter of Commitment as an attachment to a Resolution. The City Manager is directed to transmit this Letter of Commitment with the Enterprise Zone application.

Sincerely,

Bob Johnson
Mayor, City of Lodi

BJ/jh